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In the structure shown in FIG. 9A, one transparent insulating film 46 substantially covers most of one pixel. The broken lines indicate the lines of electric force when a voltage is applied between the ITO electrodes 40 and 42. Because of the insulating film 46 (preferably transparent), the lines of electric force incline in the direction perpendicular to the ITO electrode 40.

Please replace the paragraph beginning on page 12, line 4, with the following rewritten paragraph:

When no voltage is applied between the ITO electrodes 40 and 42, the liquid crystal molecules 45 of the liquid crystal 44 are orientated perpendicularly to the surface of the ITO electrode 40, as shown in FIG. 10A. FIG. 10 shows a vertical alignment layer 50 on the side of the transparent insulating films 46. When a voltage is applied between the ITO electrodes 40 and 42, the liquid crystal molecules 45 which are not covered with the transparent insulating films 46 start inclining along the inclination of the lines of electric force, as shown in FIG. 10B. If the applied voltage rises, the liquid crystal molecules 45 located at the transparent insulating films 46 start inclining, as shown in FIG. 10C. The liquid crystal molecules 45 then go through the stage shown in FIG. 10D. When the applied voltage becomes high enough, all the liquid crystal molecules 45 are almost parallel with the surface of the ITO electrode 40 while actually being orientated perpendicularly to the lines of the electric force.

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Please replace the paragraph beginning on page 12, line 25, with the following rewritten paragraph:

By forming the insulating (preferably transparent) films 46 that vary the orientations of the electric field in a pixel region, the liquid crystal molecules become perpendicular to the lines of electric force created by the applied voltage. The orientations of the electric field vary, and a plurality of gradient orientations exist for the liquid crystal. As a result, the brightness variation becomes smaller over a wide range of viewing angles, and the viewing angle characteristics improve. Also, the occurrence of gradation inversion can be restricted.

Please replace the paragraph beginning on page 13, line 14, with the following rewritten paragraph:

In FIG. 9B, each transparent insulating film 46 covers most of one pixel. The broken lines indicate the lines of the electric force created when a voltage is applied between the ITO electrodes 40 and 42. Because of the transparent insulating films 46 and 48, the lines of electric force incline in the direction perpendicular to the ITO electrode 40.

Please replace the paragraph beginning on page 14, line 3, with the following rewritten paragraph:

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In FIG. 9C, one single transparent insulating film 48 covers most of one pixel. The broken lines in FIG. 9C indicate the lines of electric force caused when a voltage is applied between the ITO electrodes 40 and 43. Because of the insulating film 48, the lines of electric force incline in the direction perpendicular to the ITO electrode 40.

Please replace the paragraph beginning on page 14, line 11, with the following rewritten paragraph:

Since the transparent insulating film 48 is formed on only one of the substrates while the other substrate is formed by the narrow striped ITO electrode 43, the orientations of the electric field in the pixel region can be greatly varied.

In the Claims:

Please cancel claims 2 and 17, without prejudice, and amend claims 1, 3, and 11 as follows:

1. (Amended) A liquid crystal display device in which a pair of substrates having electrodes face each other, and liquid crystal is sealed between the substrates,

    said liquid crystal display device including an insulating layer that varies electric field orientations in a pixel region when a voltage is applied between the pair of substrates,